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C O N F I D E N T I A L SECTION 01 OF 02 BANGKOK 005917

SIPDIS

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TAGS: [PGOV](#) [TH](#)

SUBJECT: CONFLICT OVER AUDITOR GENERAL EMBARRASSES THAKSIN
GOVERNMENT

REF: (A) BANGKOK 3471 (B) BANGKOK 3381

Classified By: POLITICAL COUNSELOR SUSAN M. SUTTON. REASON: 1.4 (D)

1. (C) Summary. Some 96 days after a candidate for new Auditor-General was submitted by the Senate for the King's approval, the Palace remains mute, leaving the Thaksin Government in an awkward situation. Though the issue of appointments to the independent Auditor-General position is made by the nominally neutral Senate, the nominee, Wisut Montriwat, is widely believed to have been picked by Prime Minister Thaksin's Thai Rak Thai (TRT) Party to replace incumbent Khunying Jaruwan Maintahai (ref. B). Jaruwan is considered by observers here as a straight-shooting, incorruptible officer who was closing in on alleged government malfeasance in awarding contracts for the new airport. The Palace's silence has become deafening and now there is increasing call for the resignation of Senate Speaker Suchon Suwanpanont for trying to remove Jaruwan and for sending Wisut's name to the King for approval without final determination of Jaruwan's status. The issue is also causing tensions within the TRT. More significantly, the discussion emanating from the Auditor-General controversy has ignited discussion over the powers of the monarchy. End Summary.

BACKGROUND

2. (SBU) As noted in earlier reporting, on July 6, 2004, the Constitutional Court ruled that the selection process that made Jaruwan Auditor General was unconstitutional. The Court did not rule, however, if the unconstitutional selection process meant that Jaruwan had to resign. The ruling catalyzed intense debate on Khunying Jaruwan's status. Some said she was defacto removed from her office by the ruling, but others argued that without the royal command for her removal and in light of the fact that the Court did not rule on her vacation of office, she could stay on as Auditor-General. However, a majority of senators (especially those under the government's control) championed the first notion; thus, moving for selection of a new Auditor-General. On May 10 this year, the Senate selected Wisut Montriwat, a former Deputy Permanent Secretary of finance considered by many to be a supporter of the Thaksin government, as new Auditor-General.

3. (SBU) This selection met with resistance from some Senators, MPs and law experts, who warned of legal complications. 60 members of the TRT's Wang Nam Yen faction sent a letter to Senate Speaker Suchon, asking him not to propose the name of Wisut for the King's appointment (as noted in previous reporting, around 40 members of the faction were later pressured by PM Thaksin into withdrawing their names from the support of this act). Regardless of all the opposition, Suchon presented the name of the new Auditor-General to the King on June 10, 2005, but to date the King has not yet issued the Royal Command appointing the new Auditor-General, although such appointments are normally quickly endorsed by the Palace. (Note: It was believed that Suchon, known as the Government's supporter, had been instructed by the powers that be to forge ahead with Wisut's nomination as new Auditor-General. End note.) Observers such as Nation Group Editor Kavi Chongkittavorn claim to us that the Palace was unhappy over the Senate's attempt to make the King complicit with rubber-stamping the removal of Jaruwan -- a popular official who had been officially endorsed by the King.

THE POWER OF THE MONARCHY COMES UNDER DISCUSSION

4. (C) The Palace's passive-aggressive response to the attempt to oust Jaruwan was certainly on the minds of participants in a September 6th 2005, Thammasat University-hosted seminar discussion on the powers of the monarchy in modern Thailand. The seminar drew a much larger crowd than officials had expected. Many insiders were interested in how the modern-day monarchy plays into Thai politics, and were looking for insights into the resolution of the Auditor-General row. The main speaker was TRT MP Pramuan Rutchanaseri, who recently wrote a best-selling book called "Royal Powers". Pramuan has recently faced threats of expulsion from the TRT party because of his dissenting views from Prime Minister Thaksin on several issues. As expected, Pramuan and others at the seminar strongly criticized the Thaksin administration, especially the perception that he

was, through Suchon's attempt to remove Jaruwan, challenging the power of the King.

ISSUE COMING TO A HEAD

15. (C) COMMENT: It has been 96 days since Wisut's name was presented to the King for his appointment, and the feeling here is that something has to give. Many observers here, such as Senator Thawin Phraison, tell us that Thaksin wants to extricate himself from this embarrassing impasse by having Senate Speaker Suchon pull back Wisut's nomination. There is reportedly a good deal of behind-the-scenes maneuvering. Recently, for example, four Senators, led by Bangkok Senator Seri Suwanphanon, reportedly asked the King's Principal Private Secretary, Asa Sarasin, for a meeting to discuss a solution to the situation. Suchon is facing increasing criticism for his role in the clumsy attempt to remove a popular and honest official. The Campaign for Popular Democracy (CDP) and other civic groups will decide shortly on whether to gather the 50,000 signatures needed for an impeachment petition against Suchon. Though the imbroglio has been an embarrassment for Thaksin, he has so far managed to avoid becoming too publicly linked with this issue. Thaksin's opponents hoped that the conflict might seriously weaken the Prime Minister, but it seems to lack resonance outside the highly politicized circles in Bangkok -- another embarrassment, but hardly a fatal blow. End Comment.
ARVIZU